

December 3, 2021

Honorable Nancy Skinner, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair  
Assembly Budget Committee

Honorable Anthony Portantino, Chair  
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair  
Assembly Appropriations Committee

### **State Coastal Conservancy, West Coyote Hills Acquisition**

Pursuant to Provision 1 of Item 3760-490 of the 2018 Budget Act, the following letter is respectfully submitted.

The Department of Finance has received a request from the State Coastal Conservancy (Conservancy) for the approval of the disbursement of funds for the purposes of acquiring a 13.7 acre property in an area known as the West Coyote Hills. A General Fund appropriation for this acquisition was included in the 2017 Budget Act, and the funds were reappropriated in 2018 (Chapter 449, Statutes of 2018).

The fair market value of the West Coyote Hills property is \$11,330,000, based on an appraisal approved by the Department of General Services on October 25, 2021. With closing costs estimated at \$339,900, the total purchase price for the property is \$11,669,900. Conservancy staff will be seeking authorization at the Conservancy's December board meeting to disburse up to \$10,134,450 in a grant to the City of Fullerton in Orange County for the acquisition of this property. Of the funds to be disbursed, \$6,235,262.50 will be from the 2017 General Fund appropriation. A separate grant of \$1,535,450 to the City from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy will provide the funding needed to complete the purchase.

The seller is requiring that the transaction must close no later than December 31, 2021, otherwise they will withdraw from the transaction.

Acquisition of this property will provide multiple public benefits including protection of open space and plant and wildlife habitat, improved watershed management, and future public trail access. It will also help resolve long-standing conflicts over land uses in the West Coyote Hills, a major oil field operating for most of the 20<sup>th</sup> century. While located outside of the Coastal Zone, the project will help protect Coyote Creek, a tributary in the San Gabriel River watershed, with downstream benefits for coastal and marine resources.

In addition, the acquisition will fully preserve the eastern West Coyote Hills. In combination with previously acquired undeveloped property and the City owned and

managed Robert E. Ward Nature Preserve, the purchase will result in the City owning and managing 115 acres of permanently protected contiguous open space.

Item 3760-490, 2018 Budget Act includes the following provisional language:

Prior to any disbursement of these funds, the Director of Finance shall approve such disbursement in a letter sent to the Chairperson of the Joint Legislative Budget Committee not later than 30 days prior to the proposed disbursement date, or not later than whatever lesser time prior to the proposed disbursement date that the chairperson of the joint committee, or his or her designee, may determine.

As the seller requires that escrow close for the property by no later than December 31, 2021, we are asking that the chairperson of the joint committee, or her designee, accept this approval of the disbursement of the funds by no later than December 10, 2021, as the Conservancy must request the disbursement by December 13, 2021. Finance concurs with the Conservancy on the necessity of this change to the approved budget.

If you have any questions or need additional information regarding this matter, please call Michael McGinness, Principal Program Budget Analyst, at (916) 445-9694.

KEELY MARTIN BOSLER

Director

By:

A handwritten signature in black ink, appearing to read "Erika Li".

ERIKA LI

Chief Deputy Director

cc: On following page

cc: Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3  
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 2  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Gabriel Petek, Legislative Analyst (3)  
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee  
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office  
Christopher W. Woods, Senate President pro Tempore's Office (2)  
Christian Griffith, Chief Consultant, Assembly Budget Committee  
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy  
and Budget  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office  
Jason Sisney, Assembly Speaker's Office (2)  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee  
Mary Small, Deputy Executive Officer, State Coastal Conservancy  
Prentiss Williams, Budget Analyst, Capital Outlay, State Coastal Conservancy